

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Watson Post Office
Watson, Alabama

Docket No. A2011-56

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 20, 2011)

On August 26, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked August 23, 2011, from postal customer Lori Rich Parsons (Petitioner) objecting to the discontinuance of the Post Office at Watson, Alabama. On August 30, 2011, the Commission issued Order No. 831, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Petitioner filed a Form 61, which was received by the Commission on September 28, 2011. The Commission received no additional written communications from customers of the Watson Post Office. In accordance with Order No. 831, the administrative record was filed with the Commission on September 12, 2011.

The appeal and Participant Statement received by the Commission on August 26, 2011, raises three issues: (1) the impact upon postal services, (2) the Watson community; and (3) the economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issue serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to another issue, the effect on employees.

¹ See 39 U.S.C. 404(d)(2)(A).

Accordingly, the determination to discontinue the Watson Post Office should be affirmed.

Background

The Final Determination To Close the Watson, AL Post Office and Continue to Provide Service at the Community Post Office (FD), as well as the administrative record, indicate that the Watson Post Office provides EAS-11 level service to 120 Post Office Box customers, 184 general delivery customers, and retail customers for 39.25 hours per week. FD at 5; Item No. 34, Post Office Closing or Consolidation Proposal Fact Sheet (Revised).² The Postmaster of the Watson Post Office retired on December 31, 2008. An OIC (Officer-in-Charge) from a neighboring office has been installed temporarily. Upon implementation of the final determination, the OIC will return to her position at a nearby office.³ The Postmaster Relief (PMR) will be reassigned to a nearby office.⁴ The average number of daily retail window transactions at the Watson Post Office is 20. Revenue has been low: \$24,395.80 in FY 2006; \$24,206.18 in FY 2007; and \$26,768.38 in FY 2008.⁵ The Watson Post Office has no meter or permit customers. FD at 5; Item No. 34, Post Office Closing or Consolidation Proposal Fact Sheet (Revised); Item No. 35, Revised Proposal, at 2, 4.

The Watson Post Office has no city delivery routes and no rural delivery routes. Item 16 Post Office Fact Sheet at 4. Some Watson customers currently receive carrier

² In these comments, specific items in the administrative record are referred to as "Item ____." The Final Determination to Close at Item 39, is referred to as "FD".

³ FD, at 5; Item No. 35, Revised Proposal to Close the Watson, AL Post Office and Continue to Provide P.O. Box Service ("Revised Proposal"), at 4.

⁴ FD at 9; Item 35 Revised Proposal to Close, at 4.

⁵ FD, at 9; Item No. 34, Post Office Closing or Consolidation Proposal Fact Sheet (Revised); Item No. 35 Revised Proposal to Close, at 2.

service emanating from the Gardendale Post Office. Such customers will experience no change in their delivery service as a result of the closing of the Watson Post Office.

Item 21 Returned Customer Questionnaires and Postal Service Responses, at 3.

Watson Post Office customers on the carrier's line of travel who do not have carrier service, however, may request such from the Gardendale Post Office. FD at 5, 7; Item 24 Community Meeting Analysis, at 3-4; Item 24, Community Meeting Analysis, at 3-4.

Other requests for change in delivery method may be made to the Gardendale Post Office. FD at 7. Additionally, P.O. Box and retail services will be provided by Brookside Watson Community Post Office (CPO), administered by the Town of Brookside. The CPO is located approximately three miles away at the Brookside Town Hall, where there will be 355 available Post Office Boxes available, with room for expansion. Item 35 Revised Proposal to Close, at 2. The CPO will provide the same number of service hours and services as the Post Office. Retail service is also available at the Forestdale Post Office, located 6 miles away, and the Gardendale Post Office, an EAS-20 level office, located 7.4 miles away. FD at 5; Item 34 Post Office Closing or Consolidation Proposal Fact Sheet (Revised).

The Postal Service followed the proper procedures which led to the posting of the Final Determination (FD). All issues raised by the customers of the Watson Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal, the Revised Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Watson Post Office.

Questionnaires were also available to retail customers at Watson. FD at 1; Item No. 22, Postal Service Customer Questionnaire Analysis, at 1; Item 19, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Watson Post Office, at 1. A letter from the Manager of Post Office Operations, Area III, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Watson Post Office was warranted, and that effective and regular service could be provided through the new Contract Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change in their postal facility. Item No. 20, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 21. In addition, representatives from the Postal Service were available at the Brookside Town Hall for a community meeting on April 29, 2009, to answer questions and provide information to customers. FD at 5; Item No. 20, Letter to Customer, at 1; Item No. 23, Community Meeting Roster; Item No. 24, Community Meeting Analysis; Item No. 35, Revised Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at the Watson Post Office. The Proposal was posted with an invitation for public comment at the Watson Post Office from July 18, 2009 to September 18, 2009. The Revised Proposal was posted with an invitation for public comment at the Watson Post Office from November 24, 2009 through January 30, 2010. Item 32, Proposal, at 1, 7; Item No. 35, Revised

Proposal, at 1, 7. The FD was posted at the same Post Office starting on July 25, 2011, as confirmed by the round-dated cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, low office revenue,⁶ the availability of the same retail services at the Community Post Office three miles away,⁷ little recent growth in the area,⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the FD.¹⁰ Regular and effective postal services will continue to be provided to the Watson community in a cost-effective manner upon implementation of the final determination. FD at 10.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Watson Post Office on postal services provided to Watson customers. The closing is premised upon providing regular and effective postal services to Watson customers.

First, as set forth above, the CPO will provide to the residents of Watson the same retail services as the Watson Post Office, except for permit mail acceptance. Thus, customers will be able to obtain retail and delivery services at the nearby CPO.¹¹

⁶ FD, at 5, 9; Item No. 34, Post Office Closing or Consolidation Proposal Fact Sheet (Revised); Item No. 35 Revised Proposal to Close, at 2.

⁷ FD at 5; Item 35 Revised Proposal to Close, at 2.

⁸ FD, at 9; Item No. 17, Community Fact Sheet; Item No. 35 Revised Proposal, at 4.

⁹ FD, at 8-9; Item No. 34, Post Office Closing or Consolidation Proposal Fact Sheet (Revised); Item No. 26 Proposal Checklist, at 2.

¹⁰ FD, at 8-9.

¹¹ The record indicates that no permit mail acceptance was handled by the Watson Post Office. FD at 10;

Further, Watson Post Office customers may also opt for carrier service on the carrier's line of travel. Item 21 Returned Customer Questionnaires and Postal Service Responses, at 3; FD at 5, 7; Item 24 Community Meeting Analysis, at 3-4. Other requests for change in delivery method may be made to the Gardendale Post Office. FD at 7.

The Petitioner, in her Participant Statement, asserts that the CPO does not accept debit/credit cards. The fact that the CPO requires certain payment methods does not deprive the customer of postal services. However, if a Watson resident must use a debit or credit card, a myriad of options to purchase postal products are available. The Stamps by Mail Program provides customers the opportunity to purchase stamps, (including commemoratives and stamp collecting products), envelopes, and postal cards. The forms for these purchases are available from the letter carrier. FD at 6-7. Customers may also purchase retail services and money orders from their carrier. FD at 6-7. Various options exist for the shipping of packages, which are explained on www.usps.com. If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. Item 21, at 2a. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. Item 21, at 2a. In addition, customers may travel to the Forestdale Post Office, which is six miles away, or the Gardendale Post Office, which is 7.4 miles away. Item 34 Post Office Closing or Consolidation Proposal Fact Sheet, (Revised).

The Petitioner asserts that the Postal Service did not take into account potential increased use of the Watson Post Office due to the extension of the interstate highway and the closure of other Post Offices in the area. However, all of the customers of the Watson Post Office, current and potential, will be able to access the same services from the Community Post Office. The CPO will provide the same services as an independent post office, except permit mailings. FD at 5, 10.

The Petitioner, in her Participant Statement, observes that the Postal Service signed a contract for the Community Post Office (CPO) on April 28, 2009, which is one day before the community meeting in Watson regarding the possible discontinuance of that office. Item 23 Community Meeting Roster at 1. From this, the Petitioner apparently deduces that the Postal Service had already made its decision to close the Watson Post Office early on in the process. A review of the course of events involved in the timing of the CPO contract dispel any notion that Postal Service management had prejudged this discontinuance action. As background, the Postal Service began the investigation into combining the Brookside and Watson Post Offices on November 28, 2008. Item 1. On December 19, 2008, the Brookside Post Office was severely damaged in a flood, thereby forcing its suspension. Item 32 Proposal to Close at 5; Item 11, at 1. As a result, the Watson Post Office was unable to accommodate Brookside residents. Item 11, at 1. Thus, execution of the CPO contract in 2009 was intended to serve the residents of *Brookside*, and not just the residents of Watson. The residents of Watson have continued to receive postal services via the Post Office in Watson throughout this process. With the benefit of this background information, it is

evident that Postal Service management did not prejudice the outcome of the discontinuance action here simply because the CPO operator was selected in 2009.

The Postal Service has considered the impact of closing the Watson Post Office upon the provision of postal services to Watson customers. Thus, the Postal Service has properly concluded that all Watson customers will continue to receive regular and effective service via the Community Post Office and rural route service.

Effect Upon the Watson Community

The Postal Service is obligated to consider the effect of its decision to close the Watson Post Office upon the Watson community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Watson is an unincorporated rural community located in Jefferson County. Police protection is provided is provided by Jefferson County Sherriff's Department. The community is administered politically by Jefferson County. Fire protection is provided by Forestdale Fire Department. FD, at 8; Item No. 35, Revised Proposal at 4. The community is comprised of retired people and those who commute to work at nearby communities and work in local businesses. FD, at 8; Item No. 35, Revised Proposal at 4; Item 15 Community Survey Sheet. The questionnaires completed by Watson customers indicate that, in general, the retirees, commuters, and others who

reside in Watson must travel elsewhere for other supplies and services. See generally FD at 5; Item No. 21, Returned customer questionnaires and Postal Service response letters, at 3, 5 -2-,¹² 7 -2-, 9 -2-, 11 -2-, 13 -2-, 15 -2-, 17 -2-, 19 -2-, 21 -2-, 23 -2-, 25 -2-, 27 -2-, 29 -2-, 32 -2-, 34 -2-, 36 -2-, 38 -2-, 40 -2-, 42 -2-, 44 -2-, 46 -2-, 48 -2-, 50 -2-, 52 -2-, 55 -2-, 56 -2-, 58 -2-, 60 -2-, 62 -2-, 64 -2-, 66 -2-, 68 -2-, 70 -2-, 72 -2-, 76 -2-, 78 -2-, 80 -2-, 84 -2-, 86 -2-.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Watson Post Office upon the Watson community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 8-9; Item No. 35, Revised Proposal to Close, at 4. The Postal Service explained that the community's name and ZIP Code will be retained in the mailing address. Item No. 35, Revised Proposal, at 4. The Postal Service also noted that the Community Post Office will continue to serve as a convenient gathering place and an information center. FD at 9.

The Petitioner points out that the closure of the Watson Post Office will mean that there will no longer be a sheltered bus stop for local children. The Postal Service is sympathetic to this concern, but does not believe that this factor should compel a different outcome. The Postal Service believes, however, that other options to protect children from the elements may emerge once the facility is discontinued. Additionally,

¹² The page cited is here, and those cited hereafter this citation, are not numbered consecutively in the record. The page cited here is the page following page 5, and it is numbered at the top "-2-". The same is true for the following references.

Watson residents may continue to meet informally, socialize, and share information at the CPO. FD, at 9.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Watson Post Office on the community served by the Watson Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Watson Post Office are \$42,151.00. FD at 9.¹³ The Postal Service estimates the cost of replacement service at \$3500. This figure represents the estimated cost of delivery service to those Watson customers who currently have P.O. Boxes at the Watson Post Office, but, as a result of the discontinuance action, elect delivery through curbside boxes. FD at 9; Item 24 Community Meeting Analysis, at 3-4. In addition, the CPO is already operational and thus the costs of operating this facility are not caused by the discontinuance of the Watson Post Office.

The Petitioner states that the Postal Service has not taken into account the additional costs it will incur as a result of the closure of the Watson Post Office. To the extent this concern is aimed at the provision of replacement service by the CPO, then it was appropriate not to include the costs of the CPO in the economic savings

¹³ There is an arithmetical error in the calculation of the savings in the Final Decision. The correct savings figure is \$42,151.

calculation. This is because replacement service offered by the CPO is already in operation as a result of the suspension of the Brookside Post Office, and thus there are no additional costs caused by the discontinuance action on the CPO. Indeed, the compensation paid to the contractor for the CPO is fixed, (i.e., it is not determined by the number of transactions performed by the contractor). To the extent this concern is, however, aimed at replacement service offered by rural carrier, then the Postal Service took these concerns into account. For those Watson P.O. Box customers that choose to have their mail delivered to their address rather than receiving PO Box service the CPO, the Postal Service estimated such increased delivery costs at \$3,500. FD at 9. This figure is appropriately included in the economic savings calculation. FD at 9.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 9; Item 34, Post Office closing or Consolidation Proposal Fact Sheet (Revised); Item 16 Post Office Fact Sheet, at 6. Thus, Postal Service officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on December 31, 2008. The OIC will return to her assigned office, and the non-career postmaster relief (PMR) will be reassigned to a nearby office upon implementation of the final determination. FD at 9. No other employee would be

affected by this closing. FD at 9. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Watson Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Watson Post Office on the provision of postal services and on the Watson community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Watson customers. FD at 8-9. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Watson Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Watson Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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A handwritten signature in blue ink, appearing to read "Margaret E. Harper", with a long horizontal stroke extending to the right.

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